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CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

COUNTRY Germany (Soviet Zone)

SUBJECT Report Describing 1953 Year-end Results of Operations and Operating Conditions at VEB Malting Factory, Loebau, Saxony.

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THIS IS UNEVALUATED INFORMATION

1. The following information applies specifically as of early December 1953 to the VEB Malting Factory, Loebau, Saxony Soviet Germany and covers the period January 1953 to December 1953:

- a. The 1953 net results of the operation of the plant amount to DM 35,000.
- b. Total malt production was 1600 tons. (Plant capacity is 3600 tons.) The malt kilns were partly used to dry oil paint. Part of the plant building was and is now used as a storage and shipping office. Because of these different operations, efficiency was poor.
- c. Of the 2200 tons, approximately, of barley used to convert into the above mentioned 1600 tons of malt, about half was imported from the USSR; quality was poor. New importations of malt for 1954 are now coming in. /December 1953/
- d. The malt produced was disposed of easily.
- e. The transfer of machines out of the factory has been stopped.
- f. Repairs are a matter of great concern because screws and sheet iron are difficult to obtain.
- g. Frequently the electric current was shut off. The voltage was supposed to have been 220 volts but it has reached only between 160 and 170 volts.

2. The following information applies generally to conditions in Loebau, Saxony as of early December 1953:

- a. The improvement recently advertised is not noticeable.

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- b. The administration of the ~~state~~-owned enterprises of the Brewery and Malt Industry, Potsdam (VVB) is to be dissolved as of 31 Dec 53. The new supervisory body is not yet known, but the VVB Malting Factory in Loebau will probably come under the supervision of the communal economy of the Loebau district.
- c. Labor's influence upon operations is to be increased. Management has to obey suggestions coming from labor. "We are to learn proletarian dictatorship."
- d. "Socialist competition" and the application of other new Soviet methods increase the unproductive work.
- e. If all the prescriptions contained in the so-called factory-collective agreement were to be observed, a workday would have to be 36 hours.

- end -

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